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December 14, 2001

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.**  
**4 Irving Place**  
**New York, NY 10003**

Hon. Janet Deixler  
Secretary  
Public Service Commission  
State of New York  
Department of Public Service  
Three Empire State Plaza  
Albany, NY 12223

Re: Case 00-G-0996 - In the Matter of Criteria for Interruptible Gas Service

Dear Secretary Deixler:

Consolidated Edison Company of New York, Inc. ("Con Edison" or "the Company") hereby files changes to its Schedule for Gas Service, P.S.C. No. 9 – Gas, as they relate to service to power generation customers and contract industrial customers taking service under Service Classification ("SC") Nos. 9 and 12. These changes are being made pursuant to the Commission's October 31, 2001 Order in the above-referenced proceeding.

Revisions to the Company's Sales and Transportation Operating Procedures Manual will also be submitted under separate cover to Commission Staff. The changes to the Company's Schedule for Gas Service are set forth in the following tariff leaves issued December 14, 2001, to become effective January 14, 2002:

Leaf 259 Revision 1  
Superseding Revision 0

Leaf 302 Revision 4  
Superseding Revision 3

Leaf 316.1 Revision 3  
Superseding Revision 2

Leaf 316.2 Revision 2  
Superseding Revision 1

Leaf 341.1 Revision 3  
Superseding Revision 2

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**Summary of Tariff Changes**

**In compliance with the Commission's October 31<sup>st</sup> Order, the SC 9 and SC 12 tariffs have been modified as follows:**

- E A Power Generation Customer and a Contract Interruptible or Off-Peak Firm Industrial Customer (or "Contract Industrial Customer") taking service under a negotiated contract whose alternate fuel is distillate fuel (i.e., kerosene, diesel fuel, or No. 2 oil) will be required to maintain a five-day reserve of its alternate fuel or energy source based on the customer's peak winter period requirements. A Contract Industrial Customer has been defined in the definition section of the SC 9 tariff as a Customer whose annual use of gas exceeds 3.0 million therms and who can demonstrate that 75% or more of such annual gas usage is used directly for manufacturing. The 3.0 million therm threshold level was based on the size of the Company's largest industrial manufacturing customers.**
- E The charge for non-compliance with the reserve requirements by a Power Generation Customer has been changed from 130% of the customer's alternate fuel price to 130% of the applicable published distillate fuel index price. The index will be specified in the Company's Sales and Transportation Operating Procedures and will be based on the generator's quality of fuel and mode of fuel delivery. For a Contract Industrial Customer, the existing tariff charge applicable to an interruptible and off-peak firm customer for non-compliance with reserve requirements will apply, i.e., 130% of the customer's alternate fuel price.**
- E The unauthorized use charge for a Power Generation Customer who uses gas during interruptions will be set at the higher of (a) 120% of the applicable wholesale electric market price; (b) \$4.50 per therm; or (c) \$2.50 per therm plus the market gas price. The unauthorized use charge for a Contract Industrial Customer who uses gas during interruptions will be set at two times the unauthorized use charge applicable to interruptible and off-peak firm customers.**

**Respectfully submitted,**

**CONSOLIDATED EDISON COMPANY OF NEW YORK, INC.**

**Joel H. Charkow**  
**Director Rate Engineering Department**